



NRC NEWS

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NRC PROPOSES \$36,400 CIVIL PENALTY ON CHICAGO BRIDGE & IRON, CITES POOR SAFETY CULTURE AT SHAW GROUP SUBSIDIARIES

The Nuclear Regulatory Commission has issued a notice of violation and proposed a civil penalty of \$36,400 against Chicago Bridge & Iron (CB&I) for discrimination by one of its newly purchased Shaw subsidiaries against an employee who raised a safety concern. The NRC also requested CB&I take action to improve safety culture at a second former Shaw subsidiary.

CB&I completed a takeover of the Shaw Group of companies in February. These separate actions, issued April 18, stem from complaints filed with the NRC before the takeover was effective.

The notice of violation, issued by NRC's Office of Enforcement, describes two violations of NRC employee protection requirements at Shaw Nuclear Services. A quality assurance supervisor was fired in May 2011 for notifying Shaw and Louisiana Energy Services, an NRC licensee, of some potentially faulty rebar that may have been shipped to its National Enrichment Facility in New Mexico by a third-party vendor. The second violation related to language in Shaw's Corporate Code of Conduct that could prohibit, restrict, or otherwise discourage employees from participating in protected activities, including providing information to the NRC.

Because Shaw did not identify the violations or take corrective action once the NRC identified them, the NRC doubled the normal civil penalties, for a total fine of \$36,400. The company is to respond within 30 days describing corrective actions it intends to implement, and it may request alternative dispute resolution to explore settlement options.

In a separate letter to Philip K. Asherman, president and chief executive officer of CB&I, the NRC cited a "chilled work environment" at CB&I's facility in Lake Charles, La., formerly known as Shaw Modular Solutions. Workers hesitant to raise safety concerns through company channels have reported them directly to the NRC.

While there are more than 600 vendors supplying safety-related goods and services to the nuclear industry, approximately 35 percent of all vendor-related safety allegations received by the NRC from January 2010 through January 2013 involved the Lake Charles facility. The NRC's review of these complaints did not identify any specific quality issues with parts supplied

by Shaw or CB&I; however, the significant number of employee concerns reported to the NRC suggests a poor environment for raising safety concerns within the company.

The NRC's expectations in this area are described in policy statements addressing [safety culture](#) and maintenance of a [safety-conscious work environment](#).

"The NRC takes seriously the ability of employees to raise safety concerns without fear of retaliation, and employee protection from discrimination," Glenn M. Tracy, director of the Office of New Reactors, said in the letter. He acknowledged that CB&I was already implementing management changes at the former Shaw companies and said, "It is vital to assess the work environment and address unresolved conflicts."

Tracy requested CB&I respond within 30 days and explain corrective actions it intends to take to improve the safety-conscious work environment at the Lake Charles facility. The company is also to inform employees about the letter and corrective actions.

NRC licensees are ultimately responsible for the safety of their facilities and the quality of the safety-related goods and services they procure for their sites. The NRC inspects licensee and vendor performance to assure that licensees are verifying the quality of goods and services they receive.

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